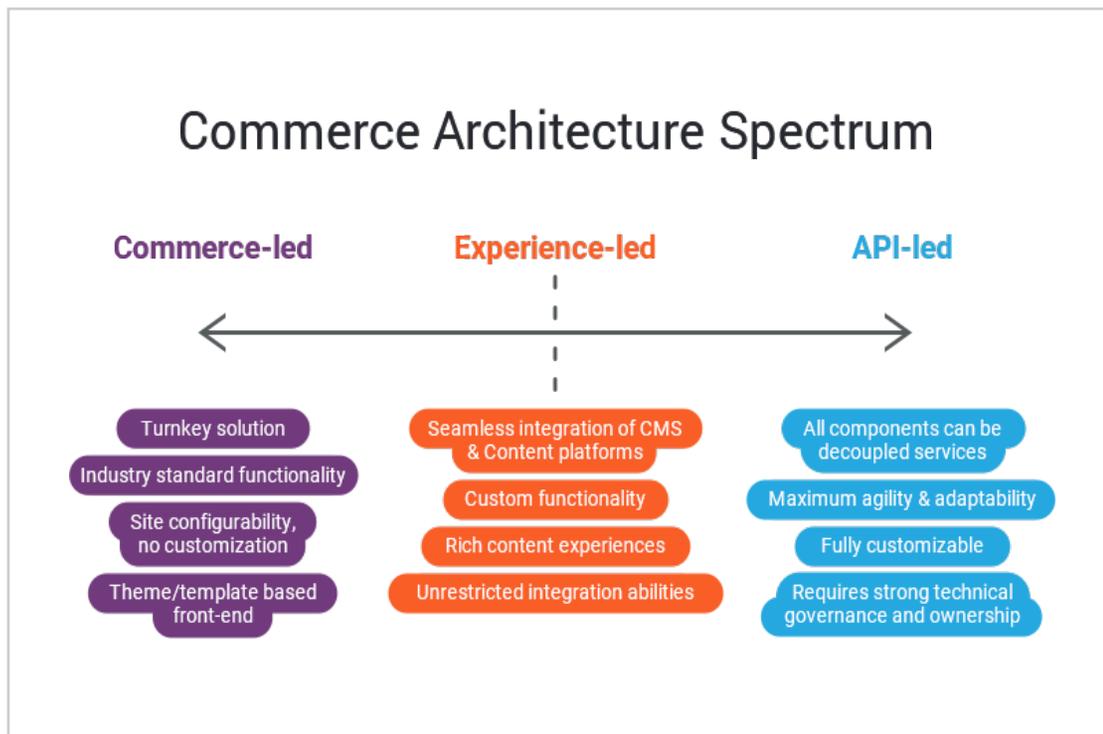# Understanding the Three Approaches to Digital Commerce Architecture

Three approaches to digital commerce architecture

It's important to recognize that none of these approaches are inherently inferior. However, some will better fit the needs of your organization. Architecture dictates future integration abilities, development paths, and customer experience.

Commerce Architecture Spectrum

Commerce-led — **Experience-led** — **API-led**

Commerce-led:
- Turnkey solution
- Industry standard functionality
- Site configurability, no customization
- Theme/template based front-end

Experience-led:
- Seamless integration of CMS & Content platforms
- Custom functionality
- Rich content experiences
- Unrestricted integration abilities

API-led:
- All components can be decoupled services
- Maximum agility & adaptability
- Fully customizable
- Requires strong technical governance and ownership

Failure to consider a higher-level architectural approach can lead to significant challenges;

> Inability to adopt or adapt new business tools

> Slow to deploy marketing initiatives

> Stifled innovation and inadequate customer experience

> Increased costs of maintenance, software license fees, and support of multiple applications

> Disconnected data across multiple channels and business systems

These outcomes can be avoided and the best decisions made for the organization if the different approaches are understood and considered before any major development projects.

Commerce-led Architecture

A solely turnkey ecommerce solution relying on core competencies and a predetermined partner ecosystem for enhanced functionality.

Suitable for companies:

> With minimal products and product variations

> With lower transaction and revenue numbers

> With limited or no IT/Development support

> With easy order management processes

> Who need quick market access and easy implementation
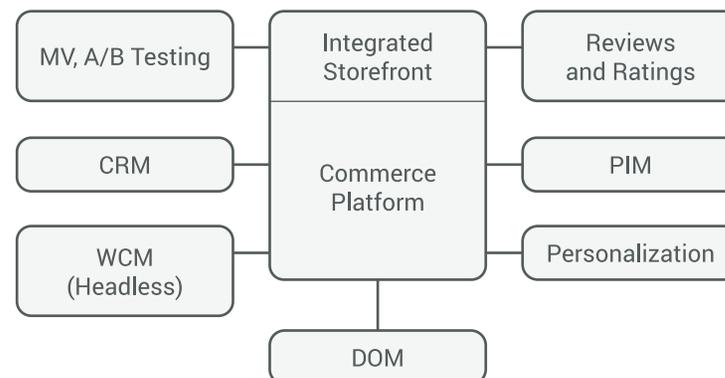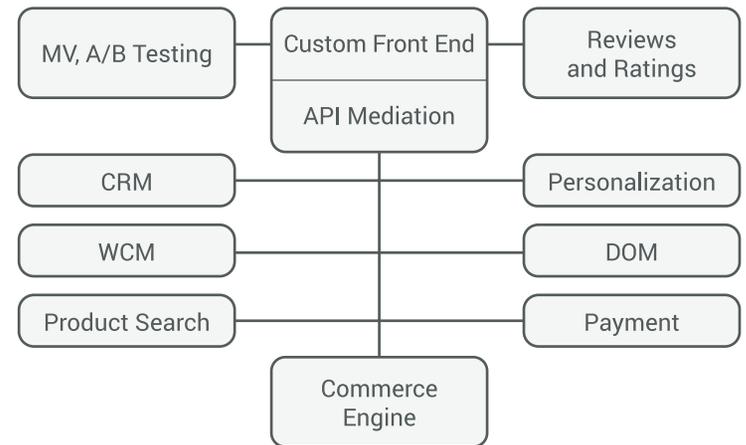
Examples of Commerce-led Architecture:

We often find clients are improperly using a commerce-led architecture because they are building on top of the commerce platform that they had chosen during the start-up phase. As they continue to grow they try to force their business model into a platform that was never meant to house a full fledged digital business.

Experience-led Architecture

A seamless integration of a content management system, commerce platform, and 3rd party software(s). This architecture focuses on your customers, their experience with you and their buying journey through your commerce site.

Suitable for companies:

> Who want to differentiate their brand through personalized shopping experiences

> Who want to showcase products outside of a standard product page

> Who want the power to develop a content rich experience AND have an industry standard checkout process

> Who want to sell across multiple channels and third party marketplaces

> Who need to develop and execute cohesive and synchronized marketing campaigns across multiple channels

| MV, A/B Testing	Custom Front End	Reviews and Ratings
	API Mediation	
CRM		Personalization
WCM		DOM
Product Search		Payment
	Commerce Engine	

We find a lot of companies are wanting the experience-led architecture but are trying to build it on top of a commerce platform (see commerce-led architecture) that was never intended to manage the complexity of content delivery, multi-channel management, customer intelligence, and data connectivity.

API-led Architecture

The ability to build your own front-end, integrate into saas, legacy, and homebrew platforms, and deconstruct commerce components for deeper development and innovation for specific features.

Suitable for companies:

> Who need to have complete control of their data and how it is aggregated and disseminated

> With multiple business models (D2C, Broker/Wholesale, B2B) that all require unique digital commerce capabilities

> Who have a complex web of internal and external workflows that require a number of third party integrations

> Who want the ability to add/remove/modify the platforms they integrate with easily and without major disruption to the business
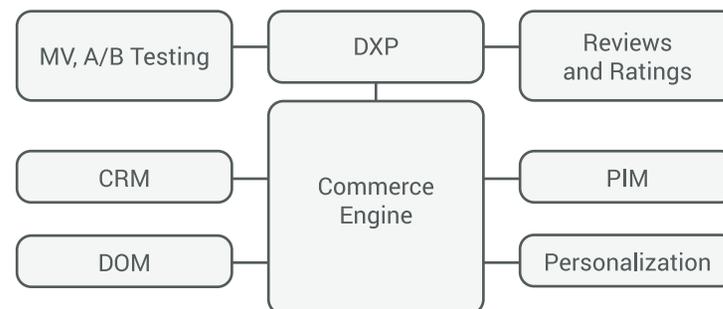
The API-led architecture is more often used by companies large enough to have internal IT teams and/or agency support. It offers complete technological agility and freedom for innovative development. It is not uncommon for companies to take an architecture approach that falls within the spectrum of both API-led and Experience-led.

The benefits of implementing the right commerce architecture

Enhanced customer experience

Develop personalized, narrative driven customer journeys to drive purchases, increase brand loyalty, and maximize customer lifetime value

Freedom to market

Reach your customers everywhere they are through synchronized sales & marketing strategies across social media, 3rd party marketplaces, in-store, events, and online

Innovative & adaptable technology

Stay at the forefront of your industry with the freedom to adopt or adapt new tools & software quickly and effectively

Market flexibility

Generate more revenue by leveraging your tech stack to foster new business models while maintaining stable growth

Effective scalability

Integrate your business systems for stronger workflow automation that increases efficiency and decreases manual processes. Minimizing growth in staff and resources while continuing to grow revenue will ultimately improve your bottom line.

The right commerce architecture is required to be successful in digital commerce

After reading through the different approaches of digital commerce architecture and knowing how you are currently developing and implementing your digital strategies do you think you have the best architecture for the future of your digital business?

Based on what we know to be true, 80% of the companies we talk to are using the wrong digital commerce architecture. Let's find out if you're one of them.

We've devised a set of questions that will help you identify the type of architecture you should likely explore based on the complexity of your needs and the ideals of your desired customer experience.

Commerce-led

Experience-led

API-led

Take Our Short Quiz to Identify Your Ideal Architecture >